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UNCLAS LILONGWE 000649

SIPDIS

SENSITIVE

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SUBJECT: MUTHARIKA ASSUMES AID TO RESUME

REF: LILONGWE 614

1. (U) Upon arrival from the African Union Summit in Addis Ababa, President Bingu wa Mutharika reportedly told the media on July 9 that the International Monetary Fund (IMF) had written to donor governments, instructing them to resume aid because the Fund was pleased with Malawi's renewed commitment to economic reform. Indicating that "dollars should come in the next 14 days or so," Mutharika reportedly said the GOM "sees no reason why the British, European Union, and other donors should not give us resources."

2. (SBU) Referring to a meeting with British Minister of African Affairs Chris Mollen, Mutharika said that Mollen supported resumption of aid to Malawi and that Malawi would receive "a lion's share" of the new aid the British government has promised Africa countries. Press Officer at the British High Commission (BHC) in Lilongwe told poloff that no such decision had been made and that the BHC planned to have a correction printed.

COMMENT

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3. (SBU) The President's statements, while possibly a product of sloppy journalism, demonstrate the GOM's underlying assumption that IFI and direct budgetary support will resume in the very near future. The IMF team arrives on June 14 and will present its findings at the end of its two-week visit. We find President Mutharika's certainty that aid will soon resume to be a useful political stance with no clear economic underpinning.

RASPOLIC